

Message Text

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45

ACTION ARA-17

INFO OCT-01 ADP-00 EB-11 INT-08 COME-00 TRSE-00 SCEM-02

CIAE-00 DODE-00 PM-09 H-02 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SS-15 USIA-12 STR-08 OMB-01

CIEP-02 RSR-01 AID-20 IGA-02 /139 W

----- 128290

R 072001 Z MAY 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 9701

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E. O. 11652: N/A

TAGS: ENRG VE

SUBJECT: OFFICIAL REACTION ON PRESIDENT'S ENERGY MESSAGE

REF: CARACAS 3788

1. WHEN PETROLEUM ATTACHE CALLED ON RAMSEY MICHELENA, DIRECTOR OF PETROLEUM ECONOMICS, MINISTRY OF MINES AND HYDROCARBONS, TO DISCUSS RECENT SUSPENSION OF HEMISPHERIC PREFERENCES ON NO. 2 HEATING OIL (REFTEL), HE FOUND MICHELENA MORE CONCERNED ABOUT AND INTERESTED IN DISCUSSING ENERGY MESSAGE AS A WHOLE.

2. MICHELENA'S ESTIMATE IS THAT, GIVEN TODAY'S STRONG MARKET FOR PETROLEUM PRODUCTS, VENEZUELA WILL REALLY NOT BE ANY WORSE OFF IN TERMS OF ITS SALES TO THE U. S. THAT IT WOULD HAVE BEEN UNDER PREVIOUS OIL IMPORT PROGRAM. HOWEVER, EVEN THOUGH VENEZUELA WILL NOT SUFFER ANY MONETARY LOSSES IN SHORT TO MEDIUM RUN, MICHELENA BELIEVES THAT NEW U. S. POLICY CREATES GREAT POLITICAL PROBLEMS FOR HIS MINISTER AND VENEZUELAN GOVERNMENT. MOREOVER, GOVERNMENT CANNOT KEEP PROBLEMS HIDDEN VERY LONG -- " AFTER ALL, MINISTER CAN ONLY FOR SO LONG GO ON DECLINING COMMENT ON GROUNDS THAT MINISTRY IS

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STILL STUDYING NEW U. S. POLICIES."

3. GREATEST PROBLEM, MICHELENA SAID, IS THAT NEW
POLICY IS ALL TOO CLEAR AND MAKES IT EVIDENT TO ALL VENEZUELAN
THAT THEIR SALES OF OIL TO U. S. DEPEND WHOLLY ON HOW MUCH OIL
COMPANIES DECONFIDENTIAL
NMAFVVZCZ

*** Current Handling Restrictions *** n/a

*** Current Classification *** LIMITED OFFICIAL USE

Message Attributes

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